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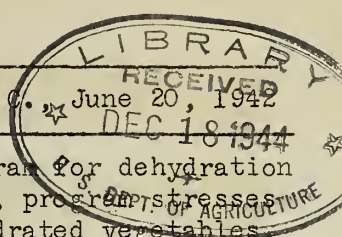
UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration

No. 21

AMA "WAR BCARD" LETTER

Wash., D.C.

June 20, 1942



DEHYDRATION: Report recommending broad over-all expansion program for dehydration has been sent to Foods Requirements Committee. Prepared by AMA, program stresses need for expanded production of dried milk, dried eggs and dehydrated vegetables. AMA Fruit and Vegetable Branch sent application forms and questionnaires (asking full details of present facilities and possible expansion or conversation to dehydration work.) to nearly 500 dehydrators and other food processors early part this week. Several applications have been received and recorded by Fruit and Vegetable Branch here, passed on to Col. Paul B. Logan, purchasing officer, Army QMC, then to committee of representatives of USDA (AMA), Army and WPB for final action.

TRANSPORTATION: Still no indications as to what may be done in way of modification of CDT Orders 3, 4 and 5 requiring trucks to haul at least a 75 per cent full return load. USDA is vitally interested in problem raised by this proposed requirement in connection with marketing and movement of farm commodities and is doing all it can to present situation to CDT. Several alternatives to CDT requirement have been proposed. Close watch is being kept on this and any developments will be passed along as soon as possible. CDT's request that all state and county fairs be postponed this year includes all meetings, conventions, etc., not direct part of war effort.

STORAGE: Grain storage situation about same as reported in recent WB letters. AMA storage section is now surveying availability of space for fats and oils and adequacy of cold storage space. Should be report soon.

NOTE: AMA section handling distribution of "purchase reports" (information concerning purchases, giving amounts, prices, dealers' names and locations) is revising mailing list. Form letter asking those receiving reports if they are still interested in obtaining them was mailed, with understanding that reply was necessary to insure continuance on mailing list. We are informed that 4 out of 5 AMA WB representatives failed to reply. This is called to your attention in case you overlooked form letter..

NAVAL STORES: OPA has classified gum naval stores and wood and gum for naval stores as agricultural commodities which exempts them from general maximum price regulations. Present prices are lower than 110% of parity, the maximum allowed agricultural commodities, according to CAWR.

LABOR: General farm labor program still in the works at Man Power Commission. One important development on migratory farm labor in Eastern Gasoline rationing area: OPA has ruled that additional supplies of gasoline above ration will be allowed for travel necessary to obtaining gainful employment. This includes migrant farm laborers. When new gasoline rationing becomes effective, they will be able to obtain enough to move from job to job.

CONTAINERS: Acute tin situation will bring further revision of WPB order restricting use of tin in canning about the first of July. Expect elimination of more products for which tin cans may be obtained. Besides about 5,000,000 yds osnaburg bagging made available for grain sacks on Pacific coast, WPB has released 10,000,000 additional yds of burlap for purchase by Commodity Credit Corp. Only about 2,000,000 yds this burlap heavy enough for grain bags. Remaining 8,000,000 yds will be offered bag manufacturers in area east of Rockies for harvest of such commodities as may be safely stored and transported in lighter bags. This will end

new berlap for duration, except for stocks manufacturers may receive if cargoes arrive from India.

VICTORY FOOD SPECIALS: Because of possible misunderstanding of the operational side of this program, the following explanation is given by those in charge: AMA designates commodities to be featured in sales promotion drives. Commodities are selected on the basis of the marketing problem that confronts producers: Seasonal excesses, market gluts, or such wartime bottlenecks as arise in transportation or processing.

The merchandising campaign is scheduled for the period when heaviest supplies are due to arrive on consumer markets. For a farm product distributed nationally over a wide region the merchandising drive is conducted a week or ten days after peak harvesting the distant production area. HOWEVER, announcement of the programs is made to the trade (and this includes growers and their organizations) sufficiently in advance of actual dates to permit wholesalers and other buyers to make their purchases at time of heaviest harvest. This advance announcement also helps build up demand from food retailers and aids them in planning their sales promotion to consumers.

Sales promotion efforts of retailers during the merchandising drive period are backed up by information supplied by AMA calling attention of consumers to the "Victory Food Special" currently being featured. This materials is widely distributed for use by the trade, home economists, market reporters, newspaper, and magazine editors of women's pages, radio station directors of women's interest programs and others engaged in dissemination of information to consumers.

First product featured nationally was lettuce (May 11 to 25); next, to meet a local condition, spinach and asparagus in the area north of Virginia and east of Ohio (June 1 to 8) and onions nationally (June 8 to 15). Tomatoes will be featured (June 29 to July 4) and breilers and fryers from July 16 to 26).

So far it has been possible only to check effect of the program on lettuce. The crop was unusually large - estimated at 8,000,000 crates, an increase of 23 per cent over last year and 55 per cent above the 10 year average supply. The campaign for lettuce was announced May 6. During the 3 week period ending May 9, lettuce shipments from California alone totaled more than 5,000 cars - 900 cars above the same period last year, and the heaviest 3-week carlot movement of lettuce from there in more than 10 years. Soon after the "Victory Food Special" program was initiated the f.o.b. market price increased from 50¢ to \$1.00 per crate. Terminal market prices jumped from 25¢ to \$1 per crate. AMA officials feel that the merchandising campaign was well-timed to help move the extra supply on consumer markets.